

Information Sheet

Overcrowding at the Clarke-Fauquier-Frederick-Winchester Regional Adult Detention Center presents unacceptable security risks and threatens the safety of the facility staff. Violence and the need for the application of force in the Jail have become more frequent, and the possibility of civil action as a result of the overcrowded conditions cannot be discounted.

2. As of June 30, 2003, the Detention Center's average daily inmate population exceeded the facility's design capacity by more than 150%; 398 inmates in space intended for 265. If the population continues to grow at the rates experienced over the last two (2) years, by 2007 the Detention Center will incarcerate more than 600 inmates.
3. In August 2002, the Jail staff began implementation of an eight point Overcrowding Action Plan to address the increased inmate population. Components of the plan included measures to expand the housing capacity of existing facilities; increase the number of pre and post-trial diversions from incarceration; and to construct new work release and medium housing units by 2007.
4. Implementation of the Overcrowding Action Plan has been successful. Since August 2002, the housing capacity of existing facilities has been maximized. Where possible, one-person cells have been equipped with a second bed, and all potential for billeting inmates outside cells and in non-housing unit areas of the Jail has been fully exploited. The number of persons diverted from Jail has also increased. Between FY02 and FY03, the number of inmates enrolled in the Work Release Program increased by 25%. There is insufficient space to further increase this program. The number of inmates diverted to home electronic monitoring has also increased. The average number of inmates in this Jail diversion program increased by almost 54% during FY03.
5. On June 12, 2003, the CFFW Regional Jail Board voted to add 23 positions to the Jail staff in FY04, and to seek proposals for construction of a new Work Release Facility as part of the Action Plan. A recommendation to relocate the existing work release function to locally available leased space, making 108 additional secure beds available in the vacated building immediately, remains under consideration.
6. The 23 additional staff positions will enhance security and improve the existing 1-officer to 68 - inmate ratios that now exist in some housing areas. The staff increase also supports all alternatives for expansion of current facilities under consideration. The FY04 cost is \$838,954. The Fauquier County share of this cost is \$168,545.
7. Relocating the work release function to a new 204 bed facility will not only provide 108 additional medium security beds in the vacated building, but will also allow for an increase in the number of inmates that participate in this revenue producing

alternative to fulltime incarceration. Work release inmates maintain fulltime employment in the community and contribute \$15.00/day towards the cost of their incarceration.

8. The Jail Board's decision to seek proposals for construction of the new facility under provisions of the Public-Private Education Facilities and Infrastructure Act of 2002 (PPEFIA) leverages the Act's potential for reducing the time and cost required for the project. Savings of both time and expenses in development of the project and the potential for avoiding significant project start-up costs remain attractive features of the Act.
9. The PPEFIA precludes a public entity from considering a developer's proposal until that entity has adopted procedures that are sufficient to ensure its compliance with the Act. Since the City of Winchester adopted the requisite procedures in May 2003, Winchester agreed and the Jail Board voted unanimously to designate the City as its agent for receiving.
10. Resolutions by the Jail Board's participating localities are required to formalize Winchester's appointment.

HOWARD SHOCKEY & SONS, INC.

ESTABLISHED 1896

P.O. Box 2530, Winchester, VA 22604

(540) 667-7700 FAX (540) 665-3201

July 9, 2003

CFFW Regional Jail
C/O Mr. Edwin C. Daley
City of Winchester
15 North Cameron Street
Winchester, VA 22601

Dear Ed:

The Clarke-Fauquier-Frederick-Winchester Regional Jail (CFFWRJ) remains in a chronically overcrowded state with little hope of returning to the normal occupancy levels of past years. In short, the CFFWRJ needs more space for work-release activities. Adequate funding to achieve the costly but necessary reconstruction is not available in a timely fashion.

To address the situation at CFFWRJ, Howard Shockey & Sons, Inc. proposes to partner with the City of Winchester pursuant to the Virginia Public-Private Education Facilities and Infrastructure Act of 2002 ("PPEA") and corresponding procedures adopted by the City. This letter transmits to you an unsolicited conceptual PPEA proposal to finance, acquire land, design, construct and furnish new facilities at CFFWRJ.

Howard Shockey & Sons, Inc. has assembled a consortium of industry leaders and top professional firms to formulate and execute the plan presented in the proposal. Each team member is committed to the provision of quality work-release housing space in a manner that honors the City's long-standing reputation for fiscal prudence.

In accordance with the PPEA guidelines, we enclose a certified check for \$5,000.00 as an advance on any proposal fee assessed by the City. Under separate cover is Section 3 of the proposal, which we consider confidential and proprietary. We request that these materials be excluded from public inspection and release under the PPEA and Virginia Freedom of Information Act.

On behalf of our team, I am pleased to submit this proposal and look forward to talking with you and other appropriate officials about its benefits.

Sincerely,



Jeffrey S. Boehm
Director of Business Development

JSB/kb



UNSOLICITED CONCEPTUAL PPEA PROPOSAL

FOR

CLARKE-FAUQUIER-FREDERICK-WINCHESTER WORK RELEASE FACILITY

Presented to:



CITY OF WINCHESTER

July 9, 2003

HOWARD SHOCKEY & SONS, INC.

Since 1896

HOWARD SHOCKEY & SONS, INC.

SECTION 2-PROJECT CHARACTERISTICS

PROJECT DESCRIPTION

- Land acquisition, design, finance, site development, construction and furnishing of a new work-release facility for the CFFWRJ.

Generally, all newly constructed space will receive finishes and be of the high-quality noted in Section 3, which has been deemed confidential and proprietary.

Please refer to Section 3 for detailed information on finishes and systems.

PROJECT APPROACH

In order to accomplish this building program within a reasonable timeframe, Shockey will use a fast-track construction approach. Shockey will provide the oversight and project management required to successfully complete the overall project, which will be governed by its own CPM schedule. This schedule will take into account the required completion dates as well as all design and construction required to meet them.

Our proposal includes a core team of design and construction professionals who understand the existing conditions and who are tremendously experienced in the financing, design and construction of correctional facilities of all types.

WORK BY CITY/CFFWRJ

We look forward to having the active participation of the City of Winchester and the CFFWRJ. They will be actively involved in the programming, design and construction phases of the project. At all times, they will be intimately involved in the decisions that ultimately determine the function and appearance of their new facilities. The City of Winchester and CFFWRJ will have review and approval authority over the project.

HOWARD SHOCKEY & SONS, INC.

SECTION 2—PROJECT CHARACTERISTICS

PERMITS AND APPROVALS

- Grading Permits
- Building Permits
- Design Approvals

Specific permits will be outlined and scheduled in cooperation with the City/CFWRJ during the detailed phase of this proposal.

ADVERSE IMPACTS

There are no known or anticipated adverse impacts stemming from this proposal.

POSITIVE IMPACTS

The proposed projects have a number of positive social, economic and environmental impacts. Highlights include the following:

- Reduces chronic over-crowding.
- Accommodates space needs of a rapidly growing work-release population.
- Offers high-quality, energy-efficient structures designed to last, with reduced life-cycle costs.
- Promises on-time delivery of all facilities.
- Implements modern technological advances important to improved security and functionality.
- Improves life safety conditions (with a corresponding decrease in the risk of associated liabilities).

HOWARD SHOCKEY & SONS, INC.

SECTION 2—PROJECT CHARACTERISTICS

- Creates environment for more efficient and effective work release program.
- Compliments the architectural style and integrity of existing facility.
- Creates local construction jobs involving local subcontractors during the life of the projects.
- Provides for minimal disturbance of natural resources and negative environmental impacts.

SCHEDULE

Schedule will be dealt with in complete detail at the detailed proposal phase of the negotiation. Generally, however, it is the intent of the team to have the new work-release facility ready for occupancy as noted in the preliminary project schedule, which is included as a part of the confidential Section 3.

CONTINGENCY PLANS

With Shockey's track record of meeting clients' schedules and the resources provided within our entire team to mitigate unforeseen delays, we will meet the project schedule. Should delays occur, Shockey will work closely with the City and CFFWRJ to determine short-term solutions.

SECTION 2-PROJECT CHARACTERISTICS

RISK AND LIABILITY

Shockey is prepared to assume performance risks for total construction and willing to provide guarantees for those risks. We are anxious to discuss in the detailed phase of this proposal the extent of the shift of risk from public to private sector and our team is prepared to negotiate the allocation of such risk. During the detailed phase, we will also discuss terms for liquidated damages, fixing the price when and where appropriate or other means of assuring timely completion of projects.

OWNERSHIP, LIABILITY, OPERATION, RESTRICTION

In Section 3, which has been deemed confidential and proprietary, Shockey offers two options for ownership of the project. As with the facility in Winchester, operation will remain the responsibility of the City and the CFFWRJ.

PHASING

The sequence of construction will be phased to have the least impact possible upon the continuing operations at the existing work-release facility.

SUMMARY

Shockey wants to work with the City of Winchester and the CFFWRJ to provide a new, appropriately-sized work-release detention facility.

Shockey remains open to any modification of these plans to suit the needs of the City and the CFFWRJ.

HOWARD SHOCKEY & SONS, INC.

EXECUTIVE SUMMARY

Pressing Needs, Creative Solutions

Clarke-Fauquier-Frederick-Winchester Regional Jail (CFFWRJ) is faced with several pressing challenges at its existing Fort Collier facility:

- A rapidly growing inmate population.
- A rapidly expanding work-release program.
- A diminishing ability to safely govern the activities of the existing inmate population.
- The effects of constant wear and tear on an aging facility.

As a long-time leader in Winchester's business community, Howard Shockey & Sons, Inc. is fully aware of these challenges and the acute need for expansion at CFFWRJ. It also recognizes that the City and its partner jurisdictions must respond in a fashion that preserves the traditions of integrity and quality that make the CFFWRJ a model of excellence and efficiency. However, CFFWRJ finds itself lacking the capital improvement resources to address these urgent problems in a timely fashion under traditional methodologies.

With the passage of the Virginia Public-Private Education Facilities and Infrastructure Act of 2002 ("PPEA") and the City's adoption of PPEA procedures, a new avenue has opened to allow a private entity to partner with the City to deliver needed facilities in a timely and cost-effective manner. As a result, the City has an excellent opportunity to address the pressing needs for expansion at CFFWRJ by creatively partnering in a manner that honors the City's long-standing commitment to high-quality facilities and fiscal prudence.

The Howard Shockey & Sons, Inc. team proposes a comprehensive plan including design and construction of the new CFFWRJ work-release facility. In recognition of the significant funding and timing constraints facing the CFFWRJ, the Howard Shockey & Sons team proposes that this comprehensive plan be financed on a tax-exempt basis utilizing critical

HOWARD SHOCKEY & SONS, INC.

EXECUTIVE SUMMARY

facilities lease revenue bonds issued by the City's Industrial Development Authority. In the alternative, lease revenue bonds could be issued by FBW Lease Corp. (an affiliate of team member Ferris, Baker Watts), or pursuant to some other structure desired by the City. It is contemplated that the City / CFFWRJ will enter into a triple net lease for the use of the work-release facilities, with the City/CFFWRJ being responsible for operating costs as it is with its other correctional facilities.

Many Benefits

As noted above, the Howard Shockey & Sons, Inc. team's proposal includes addition of new work-release housing facilities. There are many benefits that will result from these projects. Highlights include:

- Complete package including tax-exempt financing, design and construction, utilizing today's low-interest rates.
- Much-needed space to accommodate a rapidly growing work-release population, and to relieve current overcrowding.
- High-quality, energy-efficient structures designed to last, with reduced life-cycle costs.
- Promise of on-time delivery of all facilities.
- Implementation of latest technological advances for improved security and functionality.
- Improvements to life safety (and a corresponding decrease in the risk of associated liabilities) through the implementation of new and improved materials and systems.
- Single point of contact responsible for fulfillment of all schedules and budgets.

HOWARD SHOCKEY & SONS, INC.

EXECUTIVE SUMMARY

The Right Team

The Howard Shockey & Sons, Inc. (HSS) team is exceptionally qualified to bring about this ambitious project:

- HSS was named by *Virginia Business* in February 2003 as the 5th largest contractor in Virginia. Our track record in meeting challenging schedules for moderate and large-scale building projects, including correctional work, is equally solid.
- Team members have been active in the first public-private developments in Virginia.
- Ferris, Baker Watts has the proven ability to create sound financial packages that minimize the financial burden on the public body.
- With past experience analyzing existing conditions and conceiving new construction plans, our design team is thoroughly knowledgeable of the needs of the correctional community.

We do not take lightly the responsibility implied in making this proposal. Our team and our proposal are equal to this important task.

The Right Solution

CFFWRJ has a long and proud history of providing safe and effective housing of the local inmate population. Current demands make it necessary that the City act quickly and responsibly in accomplishing the project outlined above. Howard Shockey & Sons, Inc. is committed to the Winchester community and the future of its correctional system and we would be proud to partner with the City to accomplish CFFWRJ's objectives in an innovative and cost effective manner.